

**STATEMENT OF PROCEEDINGS FOR THE REGULAR MEETING OF THE  
CITY OF MAYWOOD OVERSIGHT BOARD**

**CITY OF MAYWOOD  
CITY COUNCIL CHAMBERS  
4319 EAST SLAUSON AVENUE  
MAYWOOD, CALIFORNIA 90270**

**Wednesday, January 9, 2013**

**9:30 a.m.**

AUDIO LINK FOR THE ENTIRE MEETING. (13-0423)

**Attachments:** [Audio](#)

**I. CALL TO ORDER**

**Chair Myers called the meeting to order at 9:30 a.m.**

**II. ROLL CALL**

**Ivonne Umaña, Administrative Staff, called the roll.**

**Present: Board Members Eduardo Adame, Louisa Ollague (arrived at 9:32 a.m.), Sam Pedroza, Andrew Sanchez, John Walsh, Vice Chair Oscar Magaña (arrived at 9:33 a.m.) and Chair Lilian Myers**

**III. STAFF COMMUNICATIONS**

This time is set aside for Successor Agency staff to update the Board on important items initiated by staff or previously requested by the Oversight Board.

**Yolanda Summerhill, Successor Agency Legal Counsel, presented a verbal report pertaining to correspondence received from the Department of Finance (DOF). Ms. Summerhill explained that the Successor Agency staff received a final decision after its "Meet-and-Confer" session concerning the two loans from the City of Maywood to the former Redevelopment Agency for the Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013. The DOF denied the two loans, and informed the Successor Agency that the associated legal fees are characterized as an administrative cost.**

**Board Member Pedroza inquired about further Oversight Board procedures related to the Department of Finance's determination.**

**Ms. Summerhill informed the Oversight Board that this item will not come before the Oversight Board in the future, and the tax-increment received from the County of Los Angeles Auditor-Controller will be adjusted accordingly.**

**By Common Consent, there being no objection (Board Member Magaña being absent), the Oversight Board accepted Ms. Summerhill's report.**

#### **IV. PUBLIC PARTICIPATION (AGENDA ITEMS ONLY)**

At this time speakers wishing to address the Oversight Board on an item on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3).

**There were none.**

#### **V. ADMINISTRATIVE MATTERS**

1. Recommendation: Approve the minutes from the Special Meeting of August 15, 2012. (Continued from the meeting of 12-12-12) (12-5253)

**On motion of Board Member Walsh, seconded by Board Member Pedroza, duly carried by the following vote, the Oversight Board approved the August 15, 2012 meeting Minutes.**

**Ayes: 7 - Board Members Adame, Ollague, Pedroza, Sanchez, Walsh, Vice Chair Magaña and Chair Myers**

**Attachments:** [August 15, 2012 Minutes](#)

2. Recommendation: Approve the minutes from the meeting of December 12, 2012. (13-0209)

**On motion of Board Member Walsh, seconded by Board Member Pedroza, duly carried by the following vote, the Oversight Board approved the December 12, 2012 Minutes:**

**Ayes: 7 - Board Members Adame, Ollague, Pedroza, Sanchez, Walsh, Vice Chair Magaña and Chair Myers**

**Attachments:** [December 12, 2012 Minutes](#)

**VI. RECOMMENDATION**

3. Recommendation: Close the public comment session for public input pertaining to the All Funds Due Diligence Review, and adopt a resolution approving the All Funds Due Diligence Review report as prepared by an independent auditor, pursuant to Health and Safety Code Section 34179.5 (13-0210)

**Andre Dupret, Project Manager, presented the Staff Report to the Oversight Board, and Ms. Regina Tercero, Finance Manager, provided an analysis of the tables presented in the Non-Low and Moderate Income Housing Fund.**

**Board Member Ollague inquired about funds transferred to the former Redevelopment Agency. Chair Myer's suggested that Ms. Tercero present an overview of the procedures to best answer Ms. Ollague's inquiry. Ms. Tercero provided an overview of the Agreed Upon Procedures 3, 4, 5, 6, and 7 and explained that the Due Diligence Review revealed a clean audit, and noted that very few exceptions and findings were made. Ms. Tercero informed the Oversight Board that \$4,808 will be remitted to the County Auditor-Controller for disbursement to the taxing agencies.**

**Board Member Ollague asked for a comparison of transfers in Schedule B to Schedule C. Ms. Tercero explained that Schedule C constitutes only non-housing funds; and Schedule B includes low-and moderate-income housing funds as well as all other funds.**

**On motion of Board Member Pedroza, seconded by Vice Chair Magaña, duly carried by the following vote, the Oversight Board closed the public comment session for public input pertaining to the Due Diligence Review of Other Non-Housing Balances; and adopted A Resolution of the Oversight Board of the Successor Agency to the Maywood Community Redevelopment Agency Reviewing and Approving the Due Diligence Review of Other Non-Housing Balances and Authorizing Successor Agency Staff to Transmit the Audit to the Respective Governmental Entities Pursuant to the Health and Safety Code 34179.5 Et. Seq.:**

**Ayes: 7 - Board Members Adame, Ollague, Pedroza, Sanchez, Walsh, Vice Chair Magaña and Chair Myers**

**Attachments:**    [Staff Report](#)  
                          [All Fund Due Diligence Review](#)  
                          [Resolution](#)

**VII. DISCUSSIONS**

4. Update on the correspondence received from the County of Los Angeles Auditor-Controller pertaining to the findings on ROPS 3 for the period of January 1, 2013 through June 30, 2013, as requested by the Oversight Board on August 29, 2012. (Continued from the meeting of 12-12-12) (12-5258)

**Regina Tercero, Finance Manager, presented a verbal report and distributed correspondence received from the County of Los Angeles Auditor-Controller's office pertaining to disbursement to the Successor Agency's Redevelopment Property Tax Trust Fund (RPTTF) for the Recognized Obligation Payment Schedule for the period of January 1, 2013 through June 30, 2013.**

**Yolanda Summerhill, Successor Agency Legal Counsel, further apprised the Oversight Board that the correspondence received was consistent with the Department of Finance's determination rejecting the City loans and associated legal fees as enforceable obligations.**

**Board Member Walsh requested clarification concerning the distinction between the Pass-Through Distribution and Outstanding Pass-Through categories. Ms. Tercero advised the Oversight Board that she will need to contact the County of Los Angeles Auditor-Controller's office for a detailed definition on the terms and the formulas used to calculate these amounts.**

**By Common Consent, there being no objection, the Oversight Board accepted Ms. Tercero's report.**

**Attachments:**    [Supporting Document](#)

5. Report by the Successor Agency on the determination of reasonable rates available and what conditions need to be met to achieve a lower rate for the Bond Debt, as requested by the Oversight Board at the meeting of August 15, 2012. (Continued from the meeting of 12-12-12) (12-5259)

**Andre Dupret, Project Manager, provided a verbal report and informed the Oversight Board that research was conducted to reduce or alter the interest rates on bonds; and revealed that there are certain restrictions associated with the current bonds. Mr. Dupret distributed supporting documentation, which provided a brief description of the restrictions pertaining to the May 15, 2007 Bonds. Mr. Dupret also informed the Oversight Board that the Successor Agency had discussions with a bond underwriting company who are familiar with these issues and concluded that if the bonds were refinance today, the 2007 Bonds would produce \$3.2 million of negative savings and in order to produce \$600,000 of positive savings, interest rates would have to improve by 1.85%, which is not likely based on today's low rates.**

**Board Member Sanchez inquired, if in discussion with the bond underwriting company, was there any mention of other cities having the opportunity to refinance. Mr. Dupret responded to the Oversight Board that the refinance topic was not discussed.**

**Board Member Ollague referenced the supporting documentation and requested that the Successor Agency provide additional information pertaining to the 2007 Bonds: what is the rate for the other portion; and out of the 5%, what does it cover and provide the outstanding amount. Mr. Dupret noted that he will provide additional information at the next meeting.**

**Board Member Pedroza commented on the request for additional information, the Oversight Board should be cognizant of the Successor Agency's limited staff.**

**By Common Consent, there being no objection, the Oversight Board accepted Mr. Dupret's report.**

**Attachments:**    [Supporting Document](#)

6. Report by the Successor Agency on the Department of Finance response to the Oversight Board's inquiry of what the CAP should be and what DOF suggests/recommends with respect what other Successor Agencies are doing pertaining to renegotiating Bonds, including the term of the loan, proposed end date and reasonable interest rate that would be acceptable, as requested by the Oversight Board on August 15, 2012. (Continued from the meetings of 12-12-12) (12-5260)

**Andre Dupret, Project Manager, requested that this item be continued to February 13, 2013. Yolanda Summerhill, Successor Agency Legal Counsel, informed the Oversight Board that there are two additional inquiries pending to the Department of Finance to respond and; therefore, the request to continue the item.**

**On motion of Board Member Pedroza, seconded by Board Member Magana, duly carried by the following vote, this item was continued to February 13, 2013:**

**Ayes:** 7 - Board Members Adame, Ollague, Pedroza, Sanchez, Walsh, Vice Chair Magaña and Chair Myers

**Attachments:** [Staff Report](#)

### **VIII. MISCELLANEOUS**

At this time speakers wishing to address the Oversight Board on an item that is not on the agenda will be called upon in the order that the speaker card is received. The maximum time allotted for individuals to speak shall not exceed three (3) minutes. Further, in accordance with State law, the Oversight Board may not take action or entertain extended discussion on a topic not listed on the agenda. Please show courtesy to other and direct all of your comments to the

**There were none.**

### **IX. ADJOURNMENT**

The meeting adjourned at 10:02 a.m. The next meeting of the Maywood Oversight Board is scheduled for February 13, 2013, at 9:30 a.m.